

FHA Lender Approval Requirements

Paragraph references are in the Title II Mortgagee Approval Handbook 4060.1, Rev-2 at

<http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/4060.1/index.cfm>.

If only applying for Title I approval, see Title I Lender Approval Handbook 4700.2 at

<http://www.hud.gov/offices/adm/hudclips/handbooks/hsg/4700.2/index.cfm> and Title I Letters TI-469, TI-478 and TI-03-01 at

<http://www.hud.gov/offices/adm/hudclips/letters/title1/>.

Required Documents for Each FHA Approval Type

Nonsupervised Loan Correspondent

Mortgage Brokers, Correspondent Lenders & Mortgage Lenders

Paragraph 1-2(C)

- Application Form 11701
- \$1,000 Application Fee *Paragraph 2-7.*
- State License or Registration *Paragraphs 2-3 and 3-2(A)7*
- State DBA Approval, if applicable *Paragraphs 2-4 and 3-2(A)8*
- Business Credit Report on Applicant *Paragraph 3-2(A)4*
- Audited Financial Statements *Paragraphs 2-5, 2-6 and 3-2(A)6*
- LLC Documents, if applicable *Paragraphs 2-2(C) and 3-3(B)*
- Partnership Agreement, if applicable *Paragraphs 2-2(B) and 3-3(A)*
- Evidence of office facilities *Paragraphs 2-11(A) and 3-2(A)9*
- Sanctions Letter *Paragraphs 2-10 & 3-2(A)14*
- Quality Control Plan *Paragraphs 7-1 through 7-12, as appropriate*
- Resume(s) *Paragraph 3-2(A)5*
- Credit Reports on Principals *Paragraph 3-2(A)4*
- Combination Sponsor/Funding Letter *Paragraphs 3-2(A)1, 3-2(A)13*

Nonsupervised Mortgagee

Correspondent Lenders & Mortgage Lenders

Paragraph 1-2(B)

- Application Form 11701
- \$1,000 Application Fee *Paragraph 2-7*
- State License or Registration *Paragraphs 2-3 and 3-2(A)7*
- State DBA Approval, if applicable *Paragraphs 2-4 and 3-2(A)8*
- Business Credit Report on Applicant *Paragraph 3-2(A)4*
- Audited Financial Statements *Paragraphs 2-5, 2-6 and 3-2(A)6*
- LLC Documents, if applicable *Paragraphs 2-2(C) and 3-3(B)*
- Partnership Agreement, if applicable *Paragraphs 2-2(B) and 3-3(A)*
- Evidence of office facilities *Paragraphs 2-11(A) and 3-2(A)9*
- Funding Program *Paragraph 3-2(A)13a & 3-2(A)13b*
- Sanctions Letter *Paragraphs 2-10 & 3-2(A)14*
- Quality Control Plan *Paragraphs 7-1 through 7-12, as appropriate*
- Fidelity Bond \$300,000 minimum *Paragraph 3-2(A)10*
- Errors & Omissions Insurance \$300,000 minimum *Paragraph 3-2(A)11*
- Resume(s) *Paragraph 3-2(A)5*
- Credit Reports on Principals *Paragraph 3-2(A)4*

Supervised Loan Correspondent

Banks and Credit Unions Paragraph 1-2(D)

- Application Form 11701
- \$1,000 Application Fee *Paragraph 2-7.*
- State DBA Approval, if applicable *Paragraphs 2-4 and 3-2(A)8*
- Quality Control Plan *Paragraphs 7-1 through 7-12, as appropriate*
- Combination Sponsor/Funding Letter *Paragraphs 3-2(A)1, 3-2(A)13*

Supervised Mortgagee

Banks and Credit Unions Paragraph 1-2(A)

- Application Form 11701
- \$1,000 Application Fee *Paragraph 2-7.*
- State DBA Approval, if applicable *Paragraphs 2-4 and 3-2(A)8*
- Quality Control Plan *Paragraphs 7-1 through 7-12, as appropriate*
- Fidelity Bond \$300,000 minimum *Paragraph 3-2(A)10*
- Errors & Omissions Insurance \$300,000 minimum *Paragraph 3-2(A)11*

Government Mortgagee

Paragraph 1-2(F)

- Application Form 11701
- State DBA Approval, if applicable *Paragraphs 2-4 and 3-2(A)8*
- Quality Control Plan *Paragraphs 7-1 through 7-12, as appropriate*
- Fidelity Bond \$300,000 minimum *Paragraph 3-2(A)10*
- Errors & Omissions Insurance \$300,000 minimum *Paragraph 3-2(A)11*
- Resume(s) *Paragraph 3-2(A)5*

Investing Lender

Paragraph 1-2(E)

- Application Form 11701
- \$1,000 Application Fee *Paragraph 2-7.*
- State License or Registration *Paragraphs 2-3 and 3-2(A)7*
- State DBA Approval, if applicable *Paragraphs 2-4 and 3-2(A)8*
- Business Credit Report on Applicant *Paragraph 3-2(A)4*
- LLC Documents, if applicable *Paragraphs 2-2(C) and 3-3(B)*
- Partnership Agreement, if applicable *Paragraphs 2-2(B) and 3-3(A)*
- Funding Program *Paragraph 3-2(A)13a & 3-2(A)13b*
- Sanctions Letter *Paragraphs 2-10 & 3-2(A)14*
- Fidelity Bond \$300,000 minimum *Paragraph 3-2(A)10*
- Errors & Omissions Insurance \$300,000 minimum *Paragraph 3-2(A)11*
- Resume(s) *Paragraph 3-2(A)5*
- Credit Reports on Principals *Paragraph 3-2(A)4*

General FHA Lender Approval Requirements

Acceptable Business Forms* *paragraph 2-2*

- Corporations
- Partnerships
- Limited liability companies
- Chartered financial institutions
- Government agencies

*Sole proprietorships are **not** permitted

Owners and Officers *paragraphs 2-9 and 2-10*

- Cannot be debarred, suspended or otherwise ineligible
- The officer who will be in charge of the FHA operation must have at least 3 years of experience in the proposed FHA mortgage operations and cannot have outside or self-employment in the mortgage or real estate industry or related field.

Staffing *paragraphs 2-9 and 2-12*

- At least two or more full time employees
- A shared receptionist is permitted but cannot be used to meet this requirement
- All employees (except a shared receptionist) must have their income earned on a lender's FHA business W-2'd and cannot have outside or self employment in the mortgage or real estate industry or related field.

Office Facilities *paragraph 2-11*

- Must be separate and apart from any other entity in commercially zoned space
- Can share reception areas with other companies.
- Must be clearly identified to the public with a permanent business sign

Applying for Approval

Addresses for Submission of FHA Lender Approval Application Package	Addresses for \$1,000 Application Fee and Fee Cover Sheet
	Do not send your application package to these addresses
U.S. Mail	Title II Fee:
FHA Lender Approval & Recertification Division 451 7th Street, SW, Room B133 / P3214 Washington, D.C. 20410-8888	HUD P.O. Box 198619 Atlanta, GA 30384 Title II Fee Cover Sheet: http://www.hud.gov/offices/adm/hudclips/forms/files/11701b.doc
Overnight delivery	Title I Fee:
FHA Lender Approval & Recertification Division 490 L'Enfant Plaza East, SW, Suite 3214 Washington, D.C. 20024-2118	HUD P. O. Box 198608 Atlanta, GA 30384 Title I Fee Cover Sheet: http://www.hud.gov/offices/adm/hudclips/forms/files/11701a.doc
	If applying for both, sent the fee to the Title II lockbox

If you have any questions, please contact the FHA Resource Center. Its home web page is <http://www.hud.gov/offices/hsg/sfh/fharesourcectr.cfm>. You can email the FHA Resource Center at info@fhaoutreach.com or call them Monday-Friday, 8 am to 8 pm ET at (800) CALL FHA or (800) 225-5342.

Please visit FHA's comprehensive lender page at <http://www.hud.gov/lenders> for more links.

Thank you for your interest in FHA!